

Request for Council Action

Originator Human Resources	Item Contracts for 2017 Employee Insurance Benefits
Agenda Section Consent	Date 9/12/2016
Description	

The City and its insurance broker, NFP, Inc., recently completed a Request for Proposals (RFP) process for the medical, life and long-term disability insurance offered to eligible City employees. State law requires all public sector employers to issue an RFP for fully-insured benefits at least once every five years, and this was Bloomington's year to do so.

The RFP responses for medical, life and long-term disability insurance were evaluated by the Employee Benefits Committee and reviewed at a recent City Council study session.

For both life and long-term disability insurance, the incumbent carriers provided the lowest priced proposals. Both reflected a rate decrease compared to the current premiums, for the same benefit levels as currently provided. Additionally, both carriers are offering the City a three-year contract, with no rate increases for 2018 or 2019.

The City also received health insurance proposals from both Medica and Blue Cross Blue Shield that reflect a rate decrease for the same benefit levels as currently provided. After careful consideration of each proposal, the Employee Benefits Committee is recommending that the City accept the renewal offer from Medica, which reflects a 6.5% decrease in premium costs. The study session memo, which outlines the Committee's recommendation in more detail, is attached, as is a table comparing the benefits and costs of the City's current health insurance offerings to those proposed for 2017.

Item created by: Human Resources Director Kris Wilson
Presenter: Human Resources Director Kris Wilson

Requested Action

The Council is asked to approve the attached resolution accepting the proposals from Medica, Minnesota Life and Madison National Life for employee insurance benefits.

Attachments:

Resolution Selecting Medical, Life and Long-Term Disability Insurance Carriers
Summary of Current & Proposed Medica Insurance Plans
Staff Memo from August 22 Study Session